

ORIGINAL



John E. Dougherty
PO Box 501
Rimrock, AZ 86335
Complainant

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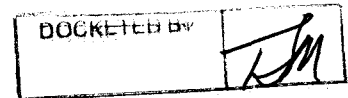
BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

FEB 21 2013



COMMISSIONERS

BOB STUMP-Chairman
GARY PIERCE
BOB BURNS
SUSAN BITTER SMITH
BRENDA BURNS

JOHN E. DOUGHERTY,

COMPLAINANT

VS.

MONTEZUMA RIMROCK WATER
COMPANY, LLC,

RESPONDANT

DOCKET NO. W-04254A-11-0323

Exhibits 8 & 9 in Support of Allegation XVII

**Submission of Newspaper Article and
Editorial on Buddeke Acquittal**

**Correction to Paragraphs 15 and 16 in
Statement of Facts in Support of Allegation
XVII Docketed February 12, 2013**

**Correction to Paragraph C under Allegation
XVII Docketed February 12, 2013**

Statement of Facts Supporting Exhibits 8 and 9 to be included with Allegation XVII

1. On February 20, 2013, Complainant received copies of the March 22, 2012 lease agreement between Nile River Leasing, LLC and Montezuma Rimrock Water Company for an arsenic treatment building. Nile River provided the lease in response to a Commission subpoena. (Exhibit 8)

2. The lease agreement includes "Rider No. 2" that states Montezuma Rimrock has the option to purchase the building for \$1 at the end of the agreement. The option to purchase the building at the end of a lease for \$1 is one of the four characteristics that define a Capital Lease.

3. On Feb. 20, 2013 Complainant exchanged a series of emails with Nile River Leasing president John Torbenson. Mr. Torbenson states that the March 22 lease agreement with

Montezuma Rimrock for the arsenic treatment building is the only lease agreement the company signed. (Exhibit 9)

4. Further, Mr. Torbenson states that Nile River does not enter into leases with individuals and that Nile River did not enter into lease agreements with Ms. Olsen, personally, contrary to Montezuma Counsel's April 13, 2012 and April 27, 2012 filings in Docket W-04254A-08-0361, 0362.

4. Further, Mr. Torbenson states that Nile River did not sign a lease for arsenic treatment equipment with either Ms. Olsen or Montezuma Rimrock.

5. Further, Mr. Torbenson confirmed that the March 22 lease between Nile River and Montezuma Rimrock is the lease that is reflected in the UCC filing dated Aug. 31, 2012 that was docketed by Complainant acting as Intervener on January 14, 2013 in W-04254A-12-0204 et seq. as Exhibit 7.

6. On Feb. 20, 2013, Mr. Torbenson stated in a telephone interview with Complainant that the purported signatures of a Nile River employee Robin Richards that appears on the two March 16, 2012 lease agreements between Ms. Olsen, personally, and Nile River for an arsenic treatment building and arsenic treatment facility, both of which were docketed by Montezuma's Counsel on April 13, 2012 in W-04254A-08-0361, -0362, are not Ms. Richards' signature.

Camp Verde Bugle Article and Editorial on Buddeke Acquittal

7. On February 11, 2013, Mr. Ivo Buddeke was acquitted by a Yavapai County jury on five counts of disorderly conduct with a weapon including a charge where Ms. Olsen was the alleged victim. The April 18, 2011 incident occurred during installation of a pipeline between Montezuma Rimrock's Well No. 4 and the site where the ATF would later be installed.

8. On February 12, the *Camp Verde Bugle* reported the verdict. (Exhibit 1, Buddeke).

9. On February 14, the *Bugle* published an editorial stating that Mr. Buddeke should never have been charged. (Exhibit 2, Buddeke)

Correction to Paragraphs 15 and 16 in support of Allegation XVII docketed February 12 to remove reference to Nile River Leasing and replace it with Financial Pacific Leasing.

Paragraph 15 should state:

15. In the Oct. 25 filing, Montezuma claims the Company entered into a May 2, 2012 lease agreement with Financial Pacific Leasing for the Arsenic Treatment Facility. In the same filing, the Company discloses it entered into the March 22 lease agreement with

Nile River for the Arsenic Treatment Building. (See Exhibit 2, Pages 1-8, W-04254A-12-0204 et seq., Docketed January 14, 2013)

Paragraph 16 replaces Nile River with Financial Pacific and should state:

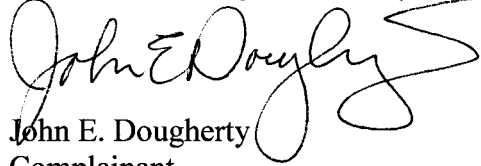
16. Rather than entering into a lease agreement for the Arsenic Treatment Facility on May 2, 2012 with Financial Pacific, state UCC records show Montezuma entered into the lease with Financial Pacific for the Arsenic Treatment Facility on April 3, 2012.

Correction to Paragraph C of Allegation XVII to remove reference to Nile River and replace it with Financial Pacific.

Paragraph C should state:

C. Ms. Patricia Olsen knowingly and willfully docketed a fraudulent lease agreement between Montezuma and Financial Pacific Leasing for an Arsenic Treatment Facility dated May 2, 2012 in an Oct. 26 filing in W-04254A-12-0204 et seq., when, in fact, the Company had signed the effective lease agreement with Financial Pacific Leasing on April 3, 2012. This action was taken to circumvent Commission approval of Capital leases in violation of ARS S40-301, ARS S40-301, ARS S40-324 and ARS S40-325.

Dated this 21st Day of February, 2013



John E. Dougherty
Complainant

Copies of the foregoing Mailed/Hand Delivered
This 21st day of February, 2013 to:

Todd C. Wiley
3003 N. Central Ave.
Suite 2600
Phoenix, AZ 85012

Janice Alward
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Patricia D. Olsen, Manager
Montezuma Rimrock Water Company
PO Box 10
Rimrock AZ 86335

Steve Olea
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Daniel Pozefsky
RUCO
1110 W. Washington St.
Suite 220
Phoenix, AZ 85007

Lyn Farmer
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Exhibit 8

Lessor: NILE RIVER LEASING, L.L.C. 9526 N. 46 TH ST. PHOENIX, AZ 85028 Ph. (480) 607-6800 Toll Free (888) 607-6800		Lease Number 61001			
Full Legal Name and Place of Business of Lessee > MONTEZUMA RIMROCK WATER COMPANY LLC > PO BOX 10 > RIMROCK, AZ 86335		Place of incorporation or organization or, if an individual, location of principal residence. > ARIZONA			
Quantity	Description, Model #, Catalog #, Serial #, or other Identification				
Equipment Leased	> 1 - ARSENIC BUILDING PLANT BUILDING CONSTRUCTION WITH ELECTRICAL CONNECTION - SIZE: 10 X 20 X 10 FEET				
Equipment Location if Different	> 4599 E. GOLDMINE RD., RIMROCK, AZ 86335				
Terms	Amount of Each Payment (plus Sales or Use Tax, if applicable) > \$ 342.09	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Other Specify:	Terms of Lease > 36	No. of Payments > 36	Advanced Payment/Security Deposit > \$ 734.46

TERMS AND CONDITIONS OF LEASE

1. **LEASE.** Lessee hereby leases from Lessor, and Lessor leases to Lessee, the equipment and other property described above, together with any replacement parts, additions, repairs or accessories now or hereafter incorporated in or affixed thereto (hereinafter referred to as the "Equipment").

2. **ACCEPTANCE OF EQUIPMENT.** Lessee agrees to inspect the Equipment and to execute an Acknowledgement and Acceptance of Equipment by Lessee notice, as provided by Lessor, after the Equipment has been delivered and after Lessee it satisfied that the Equipment is satisfactory in every respect. Lessee hereby authorizes Lessor to insert in this Lease serial numbers or other identifying data with regard to the Equipment.

3. **DISCLAIMER OF WARRANTIES AND CLAIMS; LIMITATION OF REMEDIES.** THERE ARE NO WARRANTIES BY OR ON BEHALF OF LESSOR. Lessee acknowledges and agrees by his signature below as follows: (a) LESSOR MAKES NO WARRANTIES EITHER EXPRESSED OR IMPLIED AS TO THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, ITS FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE, ITS DESIGN, ITS CAPACITY, ITS QUALITY, OR WITH RESPECT TO ANY CHARACTERISTICS OF THE EQUIPMENT; (b) Lessee has fully inspected the Equipment which it has requested Lessor to acquire and lease to Lessee, and the Equipment is in good condition and to Lessee's complete satisfaction; (c) Lessee leases the Equipment "as is" and with all faults; (d) Lessee specifically acknowledges that the Equipment is leased to Lessee solely for commercial or business purposes and not for personal, family, household, or agricultural purposes; (e) LESSEE SHALL HAVE NO REMEDY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES AGAINST LESSOR; and (f) NO DEFECT, DAMAGE, OR UNFITNESS OF THE EQUIPMENT FOR ANY PURPOSE SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR RELIEVE LESSEE OF ANY OTHER OBLIGATION UNDER THIS LEASE.

4. **ASSIGNMENT BY LESSEE PROHIBITED.** WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, LESSEE SHALL NOT ASSIGN THIS LEASE OR SUBLEASE THE EQUIPMENT OR ANY INTEREST THEREIN, OR PLEDGE OR TRANSFER THIS LEASE, OR OTHERWISE DISPOSE OF THE EQUIPMENT COVERED HEREBY.

5. **COMMENCEMENT; RENTAL PAYMENTS; INTERIM RENTALS.** This Lease shall commence upon the written acceptance hereof by Lessor and shall end upon the full performance and observance by Lessee of each and every term, condition and covenant set forth in this Lease, any Schedules hereto and any extensions hereof. Rental payments shall be in the amounts and frequency as set forth on the face of this Lease or any Schedules hereto. In addition to regular rentals, Lessee shall pay to Lessor interim rent for the use of the Equipment prior to the due date of the first payment. Interim rent shall be in an amount equal to 1/30th of the monthly rental, multiplied by the number of days elapsing between the date in which the Equipment is accepted by Lessee and the commencement date of this Lease, together with the number of days elapsing between commencement of the Lease and the due date of the first payment. The payment of interim rent shall be due and payable upon Lessee's receipt of invoice from Lessor. The rental period under the Lease shall terminate following the last day of the term stated on the face hereof or in any Schedule hereto unless such Lease or Schedule has been extended or otherwise modified, Lessor shall have no obligation to Lessee under this Lease if the Equipment, for whatever reason, is not delivered to Lessee within ninety (90) days after Lessee signs this Lease.

THIS LEASE IS NOT CANCELABLE OR TERMINABLE BY LESSEE.

LESSEE UNDERSTANDS AND ACKNOWLEDGES THAT NO BROKER OR SUPPLIER, NOR ANY SALESMAN, BROKER, OR AGENT OF ANY BROKER OR SUPPLIER, IS AN AGENT OF LESSOR OR BROKER OR SUPPLIER, NOR ANY SALESMAN, BROKER, OR AGENT OF ANY BROKER OR SUPPLIER, IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THIS LEASE, AND NO REPRESENTATION AS TO THE EQUIPMENT OR ANY OTHER MATTER BY THE BROKER OR SUPPLIER, NOR ANY SALESMAN, BROKER, OR AGENT OF ANY BROKER OR SUPPLIER, SHALL IN ANY WAY AFFECT LESSEE'S DUTY TO PAY THE RENTALS AND TO PERFORM LESSEE'S OBLIGATIONS SET FORTH IN THIS LEASE.

6. **CHOICE OF LAW.** This Lease shall not be effective until signed by Lessor at its principal office listed above. This Lease shall be considered to have been made in the State of Arizona and shall be interpreted in accordance with the laws and regulations of the State of Arizona. Lessee agrees to jurisdiction in the State of Arizona in any action, suit, arbitration or proceeding regarding this Lease. In the event of any legal action with regard to the Lease or the Equipment covered hereby, Lessee agrees that venue shall be maintained in Maricopa County, Arizona.

7. **SECURITY DEPOSIT.** As security for the prompt and complete payment of the amounts due under this Lease, and Lessee's complete performance of all its obligations under this Lease, and any extension or renewal hereof, Lessee has deposited with Lessor the amount set forth in the section shown as "Security Deposit." In the event any default shall be made in the performance of any Lessee's obligations under this Lease, Lessor shall have the right, but shall not be obligated, to apply the security deposit to the curing of such default. Within 15 days after Lessor mails notice to Lessee that Lessor has applied any portion of the security deposit to the amount of any default, Lessee shall restore said security deposit to the full amount set forth above. On the expiration or earlier termination or cancellation of this Lease, or any extension or renewal hereof, provided Lessee has paid all of the rent called for and fully performed all other provisions of this Lease, Lessor will return to the Lessee any then remaining balance of said security deposit, without interest. Said security deposit may be commingled with Lessor's other funds.

8. **LIMITED PREARRANGED AMENDMENTS; SPECIFIC POWER OF ATTORNEY.** In the event it is necessary to amend the terms of the Lease to reflect a change in one or more of the following conditions: (a) Lessor's actual cost of providing the Equipment to Lessee, or (b) A change in rental payments, or (c) Description of the Equipment, then Lessee agrees that any such amendment shall be described in a letter from Lessor to Lessee, and unless within 15 days after the date of such letter Lessee objects in writing to Lessor, this Lease shall be deemed amended and such amendments shall be incorporated in this Lease herein as if originally set forth. Lessee grants to Lessor a specific power of attorney for Lessor to use as follows: (i) Lessor may sign and file on Lessee's behalf any document Lessor deems necessary to perfect or protect Lessor's interest in the Equipment or pursuant to the Uniform Commercial Code; and (ii) Lessor may sign, endorse or negotiate for Lessor's benefit any instrument representing proceeds from any policy of insurance covering the Equipment.

9. **LOCATION.** The Equipment shall be kept at the location specified above, or, if none is specified, at Lessee's address as set forth above and shall not be removed without Lessor's prior written consent. Notwithstanding this provision, should Lessee change the location of the Equipment without first obtaining Lessor's consent, then Lessee shall immediately provide Lessor with the new location of the Equipment.

10. **USE.** Lessee shall use the Equipment in a careful manner, make as necessary repairs at Lessee's expense, shall comply with all laws relating to its possession, use, or maintenance, and shall not make any alterations, additions, or improvements to the Equipment without Lessor's prior written consent. All additions, repairs or improvements made to the Equipment shall belong to Lessor.

11. **OWNERSHIP; PERSONALTY.** The Equipment is, and shall remain, the property of Lessor, and Lessee shall have no right, title, or interest in the Equipment except as expressly set forth in this Lease.

LESSEE ACKNOWLEDGEMENTS. Lessee acknowledges the following: (a) Lessee's full and accurate legal name is as provided on page one of this Lease; (b) Lessee is a corporation () partnership () individual (); (c) Lessee is (if an organization) duly organized, validly existing and in good standing under the laws of the jurisdiction set forth on page one of this Lease.

LESSEE: MONTEZUMA RIMROCK WATER COMPANY LLC

LESSOR: NILE RIVER LEASING, L.L.C.

Date: 3/23/12

Date: 3/23/12

3824-0

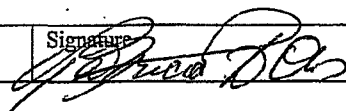
12. **SURRENDER.** By this Lease, Lessee acquires no ownership rights in the Equipment, and has no option to purchase same unless said option is incorporated herein by an attached Rider. Upon the expiration or earlier termination or cancellation of this Lease, or in the event of a default under Paragraph 20 hereof, Lessee, at its expense, shall return the Equipment in good repair, ordinary wear and tear resulting from proper use thereof alone excepted, by delivering it, packed and ready for shipment, to such place as Lessor may specify.
13. **RENEWAL.** As the expiration of the Lease, Lessee shall return the Equipment in accordance with Paragraph 12 hereof. At Lessor's option, this Lease may be continued on a month-to-month basis until 30 days after Lessee returns the Equipment to Lessor. In the event the Lease is so continued, Lessee shall pay to Lessor rentals in the same periodic amounts as is indicated under the section entitled Amount of Each Payment above.
14. **LOSS AND DAMAGE.** Lessee shall at all times after signing the Lease bear the entire risk loss, theft, damage or destruction of the Equipment from any cause whatsoever, and no loss, theft, damage or destruction of the Equipment shall relieve Lessee of the obligation to pay rent or to comply with any other obligation under this Lease, in the event of damage to any part of the Equipment, Lessee shall immediately place the same in good repair as Lessee's expense. If Lessor determines that any part of the Equipment is lost, stolen, destroyed, or damaged beyond repair, Lessee shall, at Lessee's option, do one of the following: (a) Replace the same with like equipment in good repair, acceptable to Lessor; or (b) Pay Lessor in cash the following: (i) all amounts due by Lessee to Lessor under this Lease up to the date of the loss; (ii) the accelerated balance of the total amounts due for the remaining term of this Lease attributable to said item, discounted to present value at a discount rate of 6% as of the date of loss; and (iii) the Lessor's estimate as of the time the Lease was entered into of Lessor's residual interest in the Equipment, discounted to present value at a discount rate of 6%, as of the date of loss. Upon Lessor's receipt of payment as set forth above, Lessee shall be entitled to receive title to the Equipment without any warranties. If insurance proceeds are used to fully comply with this subparagraph, the balance of any such proceeds shall go to Lessee to compensate for loss of use of the Equipment for the remaining term of the Lease.
15. **INSURANCE; LIENS; TAXES.** Lessee shall provide and maintain insurance against loss, theft, damage, or destruction of the Equipment in an amount not less than the full replacement value of the Equipment, with loss payable to the Lessor. Lessee also shall provide and maintain comprehensive general all-risk liability insurance including but not limited to product liability coverage, insuring Lessor and Lessee, with a severability of interest endorsement, or its equivalent, against any and all loss or liability for all damages, either to persons or property or otherwise, which might result in or happen in connection with the condition, use, or operation of the Equipment, with such limits and an insurer satisfactory to Lessor. Each policy shall expressly provide that said insurance as to Lessor and its assigns shall not be invalidated by any act, omission, or neglect of Lessee and cannot be canceled without 30 days prior written notice to Lessor. As to each policy Lessee shall furnish to Lessor a certificate of insurance from the insurer, which certificate shall evidence the insurance coverage required by the paragraph Lessor shall have no obligation to ascertain the existence of or provide any insurance coverage for the Equipment or for Lessee's benefit, if Lessee fails to provide the insurance, Lessor will have the right, but no obligation, to have such insurance protecting Lessor and at Lessee's expense. Such placement will result in an increase in Lessee's periodic payments, the increase being attributed to Lessor's costs of obtaining such insurance and any customary charges or fees of Lessor's or its designee associated with such insurance.
- Lessee shall keep the Equipment free and clear of all levies, liens, and encumbrances. Lessee shall pay all charges and taxes (local, state, and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession, or use of the Equipment, excluding, however, all taxes on or measured by Lessor's net income. If Lessee fails to pay said charges or taxes, Lessor shall have the right, but shall not be obligated, to pay such charges or taxes. In that event, Lessor shall notify Lessee of such payment and Lessee shall repay to Lessor the cost thereof within 15 days after such notice is mailed to Lessee.
16. **INDEMNITY.** Lessee shall indemnify Lessor against any claims, actions, damages or liabilities, including all attorney fees incurred out of or connected with the Equipment, without limitation. Such indemnification shall survive the expiration, cancellation, or termination of this Lease. Lessee waives any immunity Lessee may have under any industrial insurance act, with regard to indemnification of Lessor.
17. **ASSIGNMENT BY LESSOR.** Any assignee of Lessor shall have all of the rights but none of the obligations of Lessor under this Lease. Lessee shall recognize and hereby consents to any assignment of the Lease by Lessor, and shall not assert against the assignee any defense, counterclaim, or setoff that Lessee may have against Lessor. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, devisees, personal representatives, survivors, successors in interest, and assigns of the parties hereto.
18. **SERVICE CHARGES; INTEREST.** If Lessee shall fail to make any payment required by the Lease within 10 days of the due date thereof, Lessee shall pay to Lessor a service charge of 10% of the amount due per month, minimum 25.00 for each month that the payment remains delinquent. In addition, Lessee shall pay to Lessor any actual additional expenses incurred by Lessor in collection efforts, including but not limited to long-distance telephone charges and travel expenses. Lessee shall pay to Lessor interest on any delinquent payment or amount due under this Lease from the due date thereof until paid, at the lesser of the maximum rate of interest allowed by law or 24% per annum.
19. **TIME OF ESSENCE.** Time is of the essence of the Lease, and the provision shall not be impliedly waived by the acceptance on occasion of late or defective performance.
20. **DEFAULT.** Lessee shall be in default if: (a) Lessee shall fail to make any payment due under the terms of this Lease for a period of 10 days from the due date thereof; or (b) Lessee shall fail to observe, keep or perform any other provision of the Lease, and such failure shall continue for a period of 10 days; or (c) Lessee has made any misleading or false statement in connection with application for or performance of the Lease; or (d) The Equipment or any part thereof shall be subject to any lien, levy, seizure, assignment, transfer, bulk transfer encumbrance, application, attachment, execution, sublease, or sale without prior written consent of Lessor, or if Lessee shall abandon the Equipment or permit any other entity or person to use the Equipment without the prior written consent of Lessor; or (e) Lessee dies or ceases to exist; or (f) Lessee defaults on any other agreement it has with Lessor; or (g) Any guarantor of the Lease defaults on any obligation to Lessor; or any to the above listed events of default occur with respect to any guarantor or any such guarantor files or has filed against it a petition under the bankruptcy laws.
21. **REMEDIES.** If Lessee is in default, Lessor, with or without notice to Lessee, shall have the right to exercise any one or more of the following remedies, concurrently or separately, and without any election of remedies being deemed to have been made: (a) Lessor may enter upon Lessee's premises and, without any court order or other process of law, may repossess and remove the Equipment, or render the Equipment unusable without removal, either with or without notice to Lessee. Lessee hereby waives any trespass or right of action for damages by reason of such entry, removal or disabling. Any such repossession shall not constitute a termination of the Lease unless Lessor so notifies Lessee in writing; (b) Lessor may require Lessee, at its expense, to return the Equipment in good repair, ordinary wear and tear resulting from proper use thereof excepted, by delivering it, packed and ready for shipment, to such place as Lessor may specify; (c) Lessor may cancel or terminate this Lease and may retain any and all prior payments paid by Lessee; (d) Lessor may declare all sums due and to become due under the Lease immediately due and payable without notice or demand to Lessee; (e) Lessor may re-lease the Equipment, without notice to Lessee, to any third party, upon such terms and conditions as Lessor alone shall determine, or may sell the Equipment, without notice to Lessee, at private or public sale, at which sale Lessor may be the purchaser with respect to any exercise of Lessor of its right to recover and/or dispose of any Equipment or other collateral securing Lessee's obligations under this Lease, Lessee acknowledges and agrees as follows: (i) Lessor shall have no obligation, subject to the requirements of commercial reasonableness, to clean-up or otherwise prepare the Equipment or any other collateral for disposition, (ii) Lessor may comply with any applicable state or federal law requirements in connection with any disposition of the Equipment or other collateral, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any disposition of such Equipment and/or other collateral; (f) Lessor may sue for and recover from Lessee the sum of all unpaid rents and other payments due under the Lease then accrued, all accelerated future payments due under the Lease, reduced to their present value using a discount rate of 6%, as of the date of default, plus Lessor's estimate at the time the Lessee was entered into of Lessor's residual interest in the Equipment, reduced to present value at a discount rate of 6%, as of the date of default, less the net proceeds of disposition, if any, of the Equipment; (g) To pursue any other remedy available at law, by statute or equity.
- No right or remedy herein conferred upon or reserved to Lessor is exclusive of any other right or remedy herein, or by law or by equity provided or permitted, but each shall be cumulative of every other right or remedy given herein or now or hereafter existing by law or equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time. No single or partial exercise by Lessor of any right or remedy hereunder shall preclude any other or further exercise of any other right or remedy.
22. **MULTIPLE LESSEES.** Lessor may, with the consent of any one of the Lessees hereunder, modify, extend, or change any of the terms hereof without consent or knowledge of the others, without in any way releasing, waiving, or impairing any right granted to Lessor against the others. Lessees and each of them are jointly and severally responsible and liable to Lessor under the Lease.
23. **EXPENSE OF ENFORCEMENT.** In the event of any legal action with respect to the Lease, the prevailing party in any such action shall be entitled to reasonable attorney fees, including attorney fees incurred at the trial level, including action in bankruptcy court on appeal or review, or incurred without action, suits or proceedings, together with all costs and expenses incurred in pursuit thereof.
24. **ENTIRE AGREEMENT; NO ORAL MODIFICATIONS; NO WAIVER.** This instrument constitutes the entire agreement between Lessor and Lessee. No provision of the Lease shall be modified or rescinded unless in writing signed by a representative of Lessor. Waiver by Lessor of any provision hereof in one instance shall not constitute waiver as to any other instance.
25. **SEVERABILITY.** This Lease is intended to constitute a valid and enforceable legal instrument, and no provision of this Lease that may be deemed unenforceable shall in any way invalidate any other provision or provisions hereof, all of which shall remain in full force and effect.

CERTIFICATE OF AUTHORITY

The undersigned, being the duly elected MEMBER of the Company named in the foregoing Lease, hereby certifies that: (a) PATRICIA D. OLSEN, in his/her capacity as MANAGING MEMBER of the Company, is authorized by the Bylaws or other organizational documents of the Company, or by a resolution duly adopted or other authorization properly given by the Board of Directors, the Managers, the Managing Member(s) or the Managing Partner(s) of the Company, as applicable, in accordance with the Bylaws or other organizational documents of the Company, to negotiate execute and deliver on behalf and in the name of this Company, the Commercial Lease, (b) that such authorization has not been revoked and continues in full force and effect, (c) that the execution of such documents by such officer shall be conclusive evidence of his/her approval thereof and (d) this Lease and such other documents constitute legal and binding obligations of the Company. IN WITNESS WHEREOF, I have affixed my name as MEMBER of the Company on the date set forth below.

Printed Name
PATRICIA D. OLSEN

Signature



Date

3/22/12

RIDER NO. 2

To and part of Lease Agreement dated as of the 22 day of march, 2012 (the "Lease"), between NILE RIVER LEASING, L.L.C. its successors and assigns ("Lessor"), and MONTEZUMA RIMROCK WATER COMPANY LLC ("Lessee").

Provided that no Default or Event of Default has then occurred, Lessee shall have the option to purchase, upon the expiration of the original term of this Lease ("Termination Date"), all but not less than all of the Equipment upon the following terms and conditions: If Lessee desires to exercise this option it shall give Lessor written notice of its election to purchase at least thirty (30) days and not more than ninety (90) days before the Termination Date set forth in the Lease. On the Termination Date, Lessee shall pay to Lessor in cash any Rent due on that date plus the purchase price for the Equipment so purchased, determined as hereinafter provided. The purchase price of the Equipment shall be an amount equal to \$ 1.00 together with all taxes and charges upon sale. Lessor and Lessee agree that the purchase price represents a reasonable prediction of the Fair Market Value of the Equipment at the time the option is exercisable.

NILE RIVER LEASING, L.L.C.

Lessor

By: 

Name: J. D. Olsen

Title: Member

MONTEZUMA RIMROCK WATER COMPANY LLC

Lessee

By: 

Name: PATRICIA D. OLSEN

Title: MANAGING MEMBER



John Dougherty <jd.investigativemedia@gmail.com>

info

2 messages

John Torbenson <jtorbenson@pinnaclecap.com>
To: John Dougherty <jd.investigativemedia@gmail.com>

Wed, Feb 20, 2013 at 9:43 AM

See below, I attached the only other pieces of paper in the file on the little building

John Torbenson**ODYSSEY EQUIPMENT FINANCING COMPANY****A Pinnacle Capital Company**

8700 East Vista Bonita Dr. Suite 228

Scottsdale, AZ 85260

480-607-6800 ext. 2

Toll Free 888 607 6800

Fax 480 607 6868

Financing Equipment Nationwide Since 1968

From: John Dougherty [mailto:jd.investigativemedia@gmail.com]**Sent:** Wednesday, February 20, 2013 8:41 AM**To:** John Torbenson**Subject:** Re:

John,

Does the lease agreement you sent correspond to the UCC filing that was attached to the subpoena? YES

The subpoena seeks additional information. Do you have copies of a lease agreements dated March 16, 2012 between Nile River and Ms. Olsen, personally, LEASE IS JUST WITH THE WATER COMPANY NOT HER PERSONALLY, WE DO NO DO FINANCING FOR JUST INDIVIDUALS, JUST COMMERCIAL CLIENTS for an arsenic treatment building and a separate lease for arsenic treatment equipment? WE DID NOT FINANCE THE ARSENIC TREATMENT EQUIPMENT If so, please provide copies of those records. If not, please state

that you do not have such records. NO RECORDS ON EQUIPMENT FINANCING

In addition, the subpoena requested copies of all communications between Nile River/Odyssey with Montezuma Rimrock. Please provide copies of these communications. THEIR WAS NO COMMUNICATION, LETTERS ETC.. BESIDES THE PHONE CALLS AND THE DOCUMENTS PROVIDED

Thank you,
John

On Wed, Feb 20, 2013 at 8:18 AM, John Torbenson <jtorbenson@pinnaclecap.com> wrote:

Here you go

John Torbenson

ODYSSEY EQUIPMENT FINANCING COMPANY

A Pinnacle Capital Company

8700 East Vista Bonita Dr. Suite 228

Scottsdale, AZ 85260

480-607-6800 ext. 2

Toll Free 888 607 6800

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The BUGLE

Tuesday, February 12, 2013

Buddeke acquitted of weapons charges in water company dispute

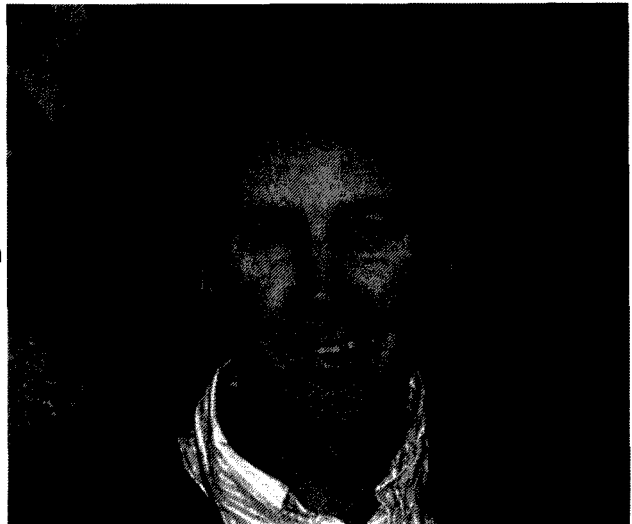
Raquel Hendrickson
Bugle Managing Editor

Tuesday, February 12, 2013

CAMP VERDE - The trial of Ivo Buddeke ended in acquittal Monday evening in Yavapai County Superior Court.

The Rimrock man had been charged with disorderly conduct with a weapon stemming from a case nearly two years ago in which he was accused of threatening surveyors and construction crews with a shotgun.

In the end, a videotape that was allowed into evidence may have been the linchpin. While some photos taken of the incident in April 2011 may have been open to interpretation, the tape that defense attorney Thomas Kelly was able to negotiate into the proceedings apparently gave jurors a more comprehensive look at what happened at 5280 E. Bentley Drive in Rimrock.



Ivo Buddeke

Now free from the threat of imprisonment, Buddeke said getting through the trial "took my faith in the jury and my attorney and help from my friends. It was a real ordeal and emotionally draining."

Buddeke claimed from the beginning that the workers were trespassing on his property, taking down his trees, and that he never aimed the shotgun at anyone.

The incident occurred during an ongoing, heated dispute between the Montezuma Rimrock Water Company and a group claiming that the water company had illegally drilled a commercial well. That day, Rask Construction employees were clearing vegetation along Buddeke's property line for a water-line project.

Buddeke confronted the workers and told them to get off his property, in so many words. He went inside and called the Yavapai County Sheriff's Office and then returned to the site with his shotgun.

What happened at that point was the basis for the trial.

While workers and Norm Rask himself said they felt threatened, there was no ace testimony or

evidence that established conclusively that Buddeke purposely aimed the weapon at anyone.

After prosecution witnesses were questioned last week, Buddeke himself took the stand Monday in Judge Michael Bluff's court to explain his side of the story. About midway through his testimony, the video of the incident was shown.

At the end of Monday's session, the jury deliberated a little more than hour before returning their verdict of acquittal.

Buddeke resents the "resources wasted" on the trial and how evidence was handled by the county attorney's office. "They want to win at all costs," he said. "It was not in pursuit of justice."

His friend John Dougherty, who has been the most vocal opponent of the Montezuma Rimrock Water Company's well, called the whole case "character assassination."

"It was a trumped up case against Ivo, and it's outrageous that this has been allowed to go on."

"This" refers to the entire, complex dispute with Patsy Olson's water company. Many things in that case have changed between the time Buddeke was arrested and his actual trial.

The well was drilled in 2006, and a conditional use permit was granted in 2010. The well was considered an important element of an arsenic treatment plant that the state ordered the water company to install. However, after not meeting county stipulations, the company had its permit pulled.

An administrative law judge ordered the well site to be shut down and the property cleared, a decision upheld by the Yavapai County Board of Supervisors. While all structures were taken down, the well head remained. That caused Dougherty to challenge the county's zoning enforcement.

So the fight with the water company that presaged Buddeke's arrest in the first place will continue. But the trial's outcome ended one chapter for Ivo Buddeke.

"Now I can wake up in the morning without a knot in my stomach," he said. "I'm glad the jury heard the truth and they believed me."

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- [Jury hears weapons case against Ivo Buddeke](#)
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Thursday, February 14, 2013

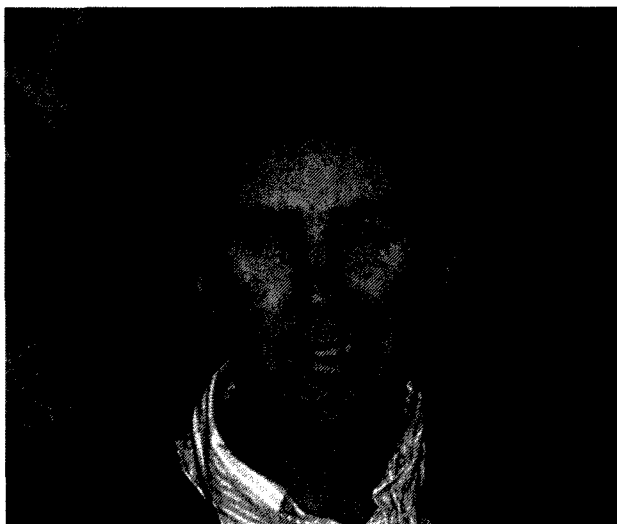
Editorial: What happened to Ivo Buddeke never should have happened

Thursday, February 14, 2013

This is the West and the tradition of a man defending his property is obviously alive and well.

Earlier this week, Rimrock property owner Ivo Buddeke was acquitted on allegations of disorderly conduct with a weapon stemming from a case nearly two years ago. Buddeke was accused of threatening surveyors and construction crews with a shotgun.

Yes, Buddeke did confront the surveyors and construction crews. And, yes, when they basically ignored him he did resume the debate while carrying a shotgun. He did not, in the eyes of jurors, directly threaten anyone with the gun, or point it at any one.



For that, he was roughed, cuffed, and arrested.

But here is the catch. He was right all along about where the boundaries of his property were located. The surveyors and construction people were not working in a legal right of way. Instead, they were trespassing, and they ignored the complaints of the property owner who alerted them of the transgression.

An interesting point of comparison to how this project was handled can be seen with the project now under way by Arizona Public Service to construct a 69-kilovolt power feeder line and a 12kv distribution line from Prairie Lane area in Verde Village to the power sub-station near the intersection of Cornville Road and Page Springs Road. More than a year before that project began, APS alerted all impacted property owners by certified mail with the particulars of the project. It fully explained the impacts to the property owners, the right-of-way and easement issues, and in some instances even offered to pay property owners for such easements and permission to access their property. This was all done a full year an advance of any work being done, and, thus, allowing plenty of time for any disputes to be resolved.

What happened to Ivo Buddeke should never have happened. The whole dispute could have been avoided had the Montezuma Rimrock Water Company properly communicated with property owners and respected their property rights.

When someone advises that you are illegally trespassing on their property, it's time to stop work and move on until the dispute is resolved.

This is, after all, the West and folks still believe in the concept of protecting and defending their property.

And well they should.

- [Buddeke acquitted of weapons charges in water company dispute](#)

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